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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 02/24/06

INDEX:

- (1) Japan, China making its move, envisioning post-Koizumi era;
Trade Minister Nikai meets Chinese leaders
- (2) WTO agricultural talks: US proposes substantive increase in
rice imports, possibly taking into account beef issue
- (3) MSDF's call signs, cipher table, and other confidential
information leaked to Internet via virus-infected personal
computer
- (4) Three LDP factions -- ex-Horiuchi, Tanigaki, Kono -- to
launch study group, signs of formation of a "great Kochi-kai,"
making group second largest force in LDP; Move may affect
presidential race

ARTICLES:

- (1) Japan, China making its move, envisioning post-Koizumi era;
Trade Minister Nikai meets Chinese leaders

ASAHI (Page 4) (Slightly abridged)
February 23, 2006

Shinya Minamishima, Takashi Kamiguri, Nobuyoshi Sakajiri, Beijing

Envisioning a post-Koizumi era, Japan and China are beginning to
move away from the current strained relationship of attributed to
Prime Minister Koizumi's continued visits to Yasukuni Shrine.

Chinese Premier Wen Jiabao, breaking his one year three months practice of not meeting with Japanese leaders, yesterday met with Minister of Economy, Trade and Industry Nikai in Beijing. Senior members of the ruling parties, including Liberal Democratic Party (LDP) Policy Research Council Chairman Hidenao Nakagawa, dubbed as the "guardian" of Chief Cabinet Secretary Abe, also just held an in-depth dialogue with Chinese officials recently. But the thorny Yasukuni issue is left open. Both sides expressed enthusiasm to repair the icy bilateral ties, but will their efforts be able to bear fruits?

Both nations showing signs of repairing strains: Japan wants China to "wait for six months"

Wen welcomed Nikai with a smile. "Owing to the efforts by those people who have a correct perception of the history of the two countries like Mr. Nikai, China and Japan have been able to make progress while resolving many issues."

Wen had not singly met with any Japanese cabinet members, including the prime minister, since he last saw Koizumi in November 2004. Last April, then Foreign Minister Machimura visited China, but Wen would not meet him - partly because China was in the midst of anti-Japanese demonstrations.

Nikai has expressed enthusiasm to break the impasse in the strained relations between the two nations. A government official close to him revealed: "Small talk like what to do about trade relations is not the purpose of his China tour this time. He will discuss Japan-China relations from a broad perspective."

Nikai, along with former LDP Secretary General Hiromu Nonaka and others, have a long deep friendship with the Chinese leadership.

TOKYO 00001004 002 OF 007

He once paved the way for the smooth issuance of visas for group tourists from China while he was transport minister. In May 2000, he headed an exchange mission composed of 5,000 people to China. He is indeed an "old friend" of China, said a source close to Japan-China relations.

Wen released a set of three proposals last March and President Hu Jintao came out with a set of five views last April. Both leaders issued them out of their desire to rebuild a "win-win relationship" (between Japan and China) based on a future-oriented vision but they did not fail to point out the need to "learn the lessons of history."

In the ceremony marking the 60th anniversary of the Victory of the War of Resistance against Japan and the World's Anti-Fascist War last September, Hu also indicated his desire to mend relations with Japan: "It's not that we continue to bear a grudge, gripped by history."

However, Chinese leaders are becoming increasingly irritated, thinking that these signals have not properly reached Japan, according to several informed sources.

The Chinese government is drafting an important statement President Hu will release at a time when representatives of seven Japan-China friendship organizations visit China in March.

China plans the statement as a message to the Japanese public. It is paying close attention to Japanese public opinion as something that will determine the post-Koizumi political climate, as evidenced by Tang Jiaxuan, a State Council member, who said: "We no longer expect anything" from Prime Minister Koizumi.

On the other hand, the ruling coalition's delegation to China who included LDP Policy Research Council Chairman Nakagawa gave a signal pointing to the post-Koizumi era during talks with Chinese leaders.

"We'd like you to wait for six months," New Komeito Policy Research Council Chairman Yoshihisa Inoue said to Wang Jiarui, minister of the International Department of the Chinese Communist

Party at a meeting of the Japan-China Ruling Party Exchange Council. Reportedly, Wang gave a nod.

Though forced to repeat his accounting of Koizumi's shrine visits, Nakagawa called for holding informal talks to break the impasse in bilateral ties, instead of formal ones where both nations have no other choice but to reiterate their respective principles.

"Mr. Nakagawa seems to have been trying to signal this message to China: 'I'll somehow resolve the Yasukuni issue in the post-Koizumi era,'" a source accompanying the delegation said.

Wall of Yasukuni has yet to be broken; China says, "We can't compromise"

China is enthusiastic about mending fences with Japan, but, as one official said, "We cannot compromise at all on the Yasukuni issue." At the time of diplomatic normalization between Japan and China in 1972, the Chinese government explained to its people that war leaders were responsible for the aggression and that the Japanese public too were war victims. This explanation, however,

TOKYO 00001004 003 OF 007

could collapse with Prime Minister Koizumi's visits to Yasukuni Shrine, which honors Class-A war criminals.

In this round of talks with members of the Ruling Party Exchange Council, too, Chinese officials did not budge from their opposition to visits to Yasukuni Shrine. Nikai was visiting China around the same time as that the delegation of the Ruling Party Exchange Council was visiting there. While Nikai was welcomed by Premier Wen Jiabao, Nakagawa and his delegation were unable to realize a much desired meeting with Vice President Zeng Qinghong and other leaders. This difference in China's treatment toward Japanese leaders comes from their stances toward Yasukuni Shrine, many observers pointed out.

On Feb. 20, when he arrived in Beijing, Nakagawa defended Koizumi's shrine visits, telling China's Political Bureau Standing Committee member Li Zhangchun who ranked number eight in the Chinese Communist Party: "It's incorrect to think he visited the shrine to pay respect to Class-A war criminals." According to a diplomatic source, based on such a remark, Chinese officials who "had not known much about Mr. Nakagawa," might have decided then how to treat Nakagawa.

"China is opinionated about the Yasukuni issue as expected," said a lawmaker traveling with Nakagawa, revealing his disappointment.

The Yasukuni issue will remain a major yardstick for China to measure post-Koizumi candidates. China's First Vice Foreign Minister Dai Bingguo, who earlier visited Japan, met with Chief Cabinet Secretary Abe. Looking back on the meeting, a Chinese official concerned remarked: "Mr. Abe was cautious about speaking. It's good for him not to bring up the Yasukuni issue."

Vice Minister of the International Department of the Chinese Communist Party Liu Hongcai in meeting with Nakagawa and other Japanese delegates said frankly: "We don't want to see future Japanese leaders visit Yasukuni Shrine."

(2) WTO agricultural talks: US proposes substantive increase in rice imports, possibly taking into account beef issue

ASAHI (Page 2) (Full)
February 23, 2004

The US has come up with a set of new proposals for mandating a substantive expansion of imports of key trade items in the agricultural area, including Japan's rice. Agricultural products are the focus of multilateral trade talks (Doha round) of the World Trade Organization. Chances are that the US might use the package as a weapon to confront Japan in pursuit of an early resumption of US beef imports. The Japanese government finds itself in a difficult situation. Agriculture Minister Nakagawa

will visit France, starting today, with the aim of strengthening ties with the European Union, which is critical of the US proposal.

The US made those proposals during WTO agricultural talks held Geneva last week. The package called for extensively expanding the minimum access, while allowing the rate of reductions of tariffs on key items, such as rice and sugar, to be no more than 60% of that of general items.

According to the US proposals, if a tariff reduction rate on

TOKYO 00001004 004 OF 007

general items is set at 50% in future WTO talks, a rice tariff reduction rate will be no more than 30%. It means that tariffs on general items would be lowered to 390% in one go, but a tariff of 546% would be allowed for rice, if it is categorized as a key item.

Under the US proposal, mandatory imports at low tariffs will expand in proportion to the margin of gaps with the reduction of tariffs on general items. In other words, if a tariff on rice is set at 546%, it will become mandatory to import 36% of domestic consumption with a lowered tariff rate.

In the wake of the Uruguay, Japan is obligated to import 7.2% of domestic rice consumption or 7607,000 tons at a lowered tariff rate. If the US proposal is adopted, Japan will have to import more than 4 million tons, provided that it wants to constrain the margin of a reduction in its rice tariff rate to a small figure.

Cabinet ministers of six main countries and territories, including the US, the EU and Japan, will meet in London in mid-March to discuss ways to promote WTO talks. Mike Johanns, secretary of the Department of Agriculture, which has

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jurisdiction over the beef industry, will take part in the ministerial. The beef issue with Japan is bound to top the agenda in talks with his counterpart Nakagawa.

Points of new proposals made by the US

The rate of a reduction in tariffs on key items should be 60% of such a rate applied to general items

Mandatory imports at lowered tariff rates will be imposed on key items that are eligible for preferential tariff rates

The volume of mandatory imports of key items at lowered tariff rates is to be calculated, by adding the figure (percent), worked out by multiplying the gap with the margin of a reduction in tariffs on general items by 0.2, to 4% of domestic consumption. If the figure worked that way is 100% lower than the margin of a reduction of tariffs on general items, imports of 24% of domestic consumption of key products at lowered tariff rates will be imposed.

(3) MSDF's call signs, cipher table, and other confidential information leaked to Internet via virus-infected personal computer

SANKEI (Page 3) (Abridged)
February 24, 2006

A large volume of military information possessed by the Maritime Self-Defense Force (MSDF) has leaked to the Internet via the Winny file-sharing program installed in the personal computer of a crewmember of the destroyer Asayuki based at the MSDF's Sasebo base in Nagasaki Prefecture, the Maritime Staff Office announced yesterday. Information classified as hi (confidential), such as call signs for identifying MSDF vessels, are also included in the leaked data. The MSDF has established a special investigative committee and an incident investigative committee in the Maritime Staff Office and the Sasebo Regional District Headquarters, respectively, to interview the person in question, get a clear

picture of the incident, and find out what actually happened.

TOKYO 00001004 005 OF 007

According to the MSDF, Internet bulletin boards carried messages Feb. 16 saying that the MSDF's secret data had leaked. This led to an internal investigation by the MSDF's security unit that confirmed the leakage of the MSDF's operational data.

The data stored in the virus-infected personal computer used by a 41-year-old chief petty officer serving aboard the Asayuki was distributed on the Internet via the Winny file-sharing program, according to the internal investigation.

Under the SDF Law, the Defense Agency classifies its defense secrets into three categories: kimitsu (top secret), gokuhi

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(secret), and hi (confidential). Although data classified as top secret and secret are not believed to have leaked, some confident

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documents, such as call signs for MSDF vessels and an encoding and decoding table of random numbers for results of live-fire exercises, have leaked out.

A list of addresses and family members of a dozen or so Asayuki crewmembers also found its way to the Internet. The MSDF has changed its cipher system.

The chief petty officer copied military secrets and personal data onto a CD-R and other materials and unloaded them to his personal computer without permission for his work at home.

Learning of the leakage on the afternoon of Feb. 23, Prime Minister Junichiro Koizumi and Defense Agency Director General Fukushima Nukaga ordered the Defense Agency to take strict measures to prevent any recurrence.

Lax information management exposed

The MSDF's data, including confidential information, have again leaked to the Internet via a virus-infected personal computer. The incident exposed the lax management of defense data by SDF personnel. Although the MSDF intends to control information more thoroughly, it is having a hard time dealing with personal computers. Many experts pointed out the loose information control in Japan.

Over the last year, information held by public organizations, such as Japan Post, National Life Finance Corp., Kansai Electric Power Co., and NTT DoCoMo, has leaked to the Internet through personal computers.

The culprits all unloaded the vital data that must be controlled strictly to their virus-infected computers to eventually distribute them on the Internet.

The MSDF chief petty officer reportedly told investigators at Sasebo Regional District Headquarters, "I thought it was safe enough because anti-virus software is installed in my computer."

Masao Horibe, a Chuo University professor specializing in information law, said:

"The incident exposed the low level of awareness of computer users against pitfalls in Internet society. Each user must examine computer security."

Toshiaki Kokado of the Information-technology Promotion Center took this view:

TOKYO 00001004 006 OF 007

"The leakage resulted from two problems. One, the anti-virus software was insufficient. Two, he unloaded business information to his personal computer."

How do other countries control national defense secrets? Military analyst Tadasu Kumagai explained:

"Data management is extremely strict in the United States. The ability of those handling vital information is tested beforehand. MSDF activity schedules and the contents of transport supplies are occasionally included in confidential information, the category leaked out. Leaked information might have an adverse effect on SDF personnel in action."

The Defense Agency's security instruction prohibits taking secrets out of the agency. The administrative vice minister's

SIPDIS
notice bans taking unclassified information, such as personal data, out of the agency.

June and December are also designated as information security awareness months to encourage SDF personnel to conduct information management more thoroughly. An additional instruction was issued following the leak last September of medical records via Winny installed in a personal computer owned by an SDF hospital doctor.

It is said, however, that many SDF personnel have unloaded classified information and data to their personal computers and that some are even keeping top secrets in their computers. There is no other way but to leave information management to the common sense of the owner of personal computer. Experiencing the arrest last year of its member of possessing marijuana, a senior MSDF officer said, "We no longer take the view that humans are born good."

The MSDF plans shortly to urge all personnel to delete SDF information stored in their personal computers and ultimately check their personal computers with their consent. Such may raise questions in connection with privacy, however. "Checking personal e-mails may cause some problems," Horibe noted.

(4) Three LDP factions -- ex-Horiuchi, Tanigaki, Kono -- to launch study group, signs of formation of a "great Kochi-kai," making group second largest force in LDP; Move may affect presidential race

MAINICHI (Page 5) (Slightly abridged)
February 23, 2006

The secretaries general of the former Horiuchi faction, the Tanigaki faction, and the Kono faction got together last night at a restaurant in Tokyo. The three factions in the Liberal Democratic Party (LDP) are the successors to Miyazawa's faction, which was called Kochi-kai. The three secretaries general confirmed that they would meet periodically with an eye on the LDP presidential election in September. They also agreed to strengthen the solidarity of their factions. Other members of the three factions also met on Feb. 20 and confirmed the formation of a study group. Those moves indicate a possible realignment of the three factions. If they close ranks, they will become the second largest force (membership of 74) in the LDP. The moves may affect the presidential race, in which Chief Cabinet Secretary Shinzo

TOKYO 00001004 007 OF 007

Abe is regarded as the strongest contender.

A total of nine lawmakers attended yesterday's meeting. The nine include Gen Nakatani of the Tanigaki faction, Tsuneo Suzuki of the Kono faction, and Yoshitaka Murata of the former Horiuchi faction.

A dozen or so members, including House of Councillors member Yoshimasa Hayashi of the former Horiuchi faction and Ichiro Aisawa of the Tanigaki faction, agreed in the meeting on Feb. 20

to launch next month a study group on Asia strategy. The three factions are apparently distancing themselves from Prime Minister Junichiro Koizumi with September's party presidential election in mind.

Kochi-kai, a faction founded by former Prime Minister Hayato Ikeda, was regarded as conservative mainstream. Four members of the faction assumed the prime minister's post. In 1998, the faction split in two due to a power struggle and Yohei Kono and his followers left the faction. In 2000 when the faction headed by Koichi Kato, a former LDP secretary general, broke up again into two groups because of the so-called Kato rebellion, when Kato called on then Prime Minister Mori to step down. As a result, the faction lost influence in the party.

Since then, the three factions have disputed as to which faction should take the lead. But the common understanding is now gradually growing among them that the breakup of Kochi-kai led to the rise of the Mori faction and allowed the Koizumi government to run away with the prize.

At the first anniversary last year of former Prime Minister Zenko Suzuki's death, Shuichi Suzuki, the first son of Zenko, read out Zenko's last words: "I want to see the three factions unite." Given the situation, the meeting of the secretaries general of the three factions is seen as an extension of that.

However, there is an icy view in each faction, with one senior ex-Horiuchi faction member saying, "It is impossible for a group, once split up, to then regroup."

If the three factions want to field a single candidate for the presidential race, they will need coordination between two possible candidates - Finance Minister Sadakazu Tanigaki of the Tanigaki faction, and Foreign Minister Taro Aso of the Kono faction. The coordination will be difficult. A former cabinet minister made an optimistic comment: "The three faction should conduct a primary election to field a unified candidate." But there is no possibility that the three factions will hold a primary election.

SCHIEFFER